

PERFORMANCE TRACK

Program Guide



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF POLICY
ECONOMICS AND INNOVATION

Thank you for your interest in the U.S. Environmental Protection Agency's National Environmental Performance Track program (Performance Track).

Performance Track is a public-private partnership that encourages continuous environmental improvement through environmental management systems, community outreach, and measurable results. Through Performance Track, EPA recognizes and drives environmental excellence by encouraging facilities with strong environmental records to go above and beyond their legal requirements. While building a collaborative relationship with EPA, Performance Track participants achieve environmental goals beyond what could be achieved through regulation and enforcement alone.

Program members demonstrate in their daily operations that economic prosperity and environmental protection can go hand in hand. Clearly, superior environmental performance is valuable not only to a company's good name and reputation but also to the nation's success in ensuring that our air, water and land are safe and clean for future generations.

I invite you to learn more about this innovative partnership program, and I encourage you to consider applying for membership. Thanks to Performance Track, hundreds of environmental leaders around the country are already earning the recognition and incentives they deserve. By joining them, you can too.

A handwritten signature in black ink that reads "Daniel J. Fiorino".

Daniel J. Fiorino
Director, Performance Track

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Introduction

The National Environmental Performance Track program recognizes and drives environmental excellence by encouraging facilities with strong environmental records to go above and beyond their legal requirements.

The U.S. system of environmental protection continues to evolve. There is growing recognition that government should complement existing programs with new tools and strategies that not only protect people and the environment, but also capture opportunities for reducing costs and spurring technological innovation.

Over the last several years, the U.S. Environmental Protection Agency (EPA) has joined States, businesses, and community and environmental groups in experimenting with new approaches that achieve high levels of environmental protection with greater efficiency. EPA learned that innovations in environmental management can create strategic business opportunities and advantages while maximizing the health and productivity of ecosystems and communities. EPA learned the importance of keeping innovation programs simple and their transaction costs low. And EPA learned that it must focus on performance, not just the means of achieving it, and derive measurable results from its programs.

Performance Track is the culmination of these efforts. This program recognizes innovation, motivates others to improve, and complements existing regulatory activities. It was designed so that membership criteria are proportional to the benefits. It encourages membership by small, medium, and

large facilities. It also emphasizes the importance of effective state/EPA partnerships and the need to inform and involve citizens and communities.

Performance Track is designed to recognize facilities that consistently meet their legal requirements and have implemented environmental management systems. In addition, facilities are encouraged to continuously improve their environmental performance while involving the public.

In developing the program, EPA consulted extensively with stakeholders and state environmental agencies. EPA initially proposed to develop Performance Track in its report *Aiming for Excellence*, published in July 1999. In March 2000, EPA released a draft program description and held five public meetings across the country on this proposal. EPA consulted closely with state officials, including using a national forum to discuss state programs, issues, and participation.

The National Environmental Performance Track program was officially announced by Administrator Carol Browner in 2000. Since then, membership has grown to more than 500 members, with members throughout the country and in both manufacturing and non-manufacturing sectors.

Performance Track members produce solid results. Read the program's latest annual progress report online at www.epa.gov/performancectrack/pubs.htm.

This *Program Guide* describes the criteria a facility will voluntarily meet to qualify for membership in Performance Track and EPA's approach for implementing the program.

Section A.

Performance Track Entry Criteria

To qualify for Performance Track, facilities must demonstrate that they have:

- Adopted and implemented an Environmental Management System (EMS)¹ that includes the elements specified below;
- Demonstrated specific past environmental achievements;
- Recorded sustained compliance with environmental requirements;
- Committed to continued environmental improvement; and
- Committed to public outreach and performance reporting.

1. Environmental Management System (EMS)

During the application process, Performance Track facilities certify that they have adopted and implemented an EMS, a core criterion for acceptance into Performance Track. The EMS must include five elements (policy, planning, implementation and operation, checking and corrective action, and management review) and have gone through at least one full implementation cycle. A facility adopting an EMS based on a Plan-Do-Check-Act framework meets most of these elements. Facilities must also certify that they have had an assessment of their EMS in accordance with the Performance Track Independent Assessment Policy (www.epa.gov/performancetrack/ind_assessment.htm). Under this policy, all new applicants to the Performance Track program must have had their EMS independently assessed within the two years prior to the date of application. Thereafter, all members of Performance Track must have an independent assessment of their EMS every three years.

The Performance Track Independent Assessment Policy does not mandate formal third-party certification. Rather, facilities can select from a number of options for an independent assessment, including an assessment by an accredited ISO 14001 registrar, a third-party auditor, or a corporate auditor, so long as the auditor(s) meets the qualifications for independence and experience set out in the policy. In addition, facilities may use their own EMS audit protocol, the Performance Track Independent Assessment Protocol, or other EMS audit protocols, so long as the protocol used covers all of the Performance Track EMS elements. EPA encourages all facilities to check their audit protocols against the Performance Track Independent Assessment Protocol to ensure consistency. The protocol may be found on the Performance Track website at http://www.epa.gov/performancetrack/ind_assessment.htm#protocol.

Recognizing that an EMS' scope and level of formality varies with a facility's nature, size, and complexity, EPA created a Resource Center (www.epa.gov/performancetrack/tools) to help facilities develop EMSs meeting the Performance Track entry criteria. The Resource Center also provides general information on effective

¹ For purposes of Performance Track, an EMS represents a facility's systematic efforts to meet its environmental requirements, including maintaining compliance and achieving performance objectives that may be related to unregulated indicators of the facility's activities.

environmental management and sustainable business practices. EPA's experience with a variety of programs suggests that its EMS elements are within the capability of small facilities and can be met through various approaches. Small facilities can obtain guidance from several EPA websites, such as Performance Track (www.epa.gov/performancetrack/program), the Sector Strategies Program (www.epa.gov/sectors/ems.html), the Small Business Gateway (www.epa.gov/smallbusiness), and its EMS website (www.epa.gov/ems).

The Performance Track EMS criteria for members include the five elements described below.

Policy

A written environmental policy, defined by top management, committing the facility to:

- Compliance with legal requirements and voluntary commitments;
- Pollution prevention (based on a pollution prevention hierarchy where source reduction is the first choice); and
- Continuous improvement in environmental performance, including areas not subject to regulations.

In addition, the facility should commit to sharing information on environmental performance with the community.

Planning

A written plan to:

- Identify significant environmental aspects² and legal requirements, including procedures for integrating anticipated changes to the facility's requirements or commitments in the EMS;
- Have measurable objectives and targets meet policy commitments and legal requirements, reduce the facility's significant environmental

impacts, and meet the environmental goals made as part of the facility's membership in the program (under Section A.2). In setting objectives and targets, the facility should consider preventing non-compliance, preventing pollution at its source, minimizing cross-media pollutant transfers, and improving environmental performance; and

- Actively meet objectives, targets, and commitments in the EMS, including the means and time frames for their completion.

Implementation and Operation

Development of established roles and responsibilities to meet objectives and targets of the overall EMS and compliance with legal requirements, including a top management representative with authority and responsibility for the EMS.

Defined procedures to:

- Achieve and maintain compliance and meet performance objectives;
- Communicate relevant information about the EMS, including the facility's environmental performance, throughout the organization;
- Provide appropriate incentives for personnel to meet the EMS requirements; and
- Control documents, including where documents related to the EMS will be located and who will maintain them.

General environmental training programs for all employees, and specific training for those with responsibilities involving activities directly related to achieving objectives and targets and compliance with legal requirements.

Documented key EMS elements, including the environmental policy, significant environmental indicators, objectives and targets, a top management representative, compliance audit, EMS audit program, and overall EMS authority.

² "Environmental aspects" are "elements of a facility's activities, products, or services that can interact with the environment." Facilities are asked to use their lists of significant environmental aspects in selecting environmental goals under this program (see Section A.2).

Operation and maintenance programs for equipment and for other operations that are related to legal compliance and other significant environmental indicators.

An emergency preparedness program.

Checking and Corrective Action

An active program for:

- Assessing performance and preventing and detecting non-conformance with legal and other requirements of the EMS, including an established compliance audit program and an EMS audit program; and
- Ensuring prompt, corrective action of any non-conformance with legal requirements and other EMS requirements.

Management Review

- Documented management review of performance against the established objectives and targets and the effectiveness of the EMS in meeting policy commitments; and
- A facility will retain EMS documents and provide a summary of its performance, including performance against objectives and targets, and a summary of the results of compliance and EMS audits, in its Annual Performance Report (APR) (see Section B).

2. Demonstrated Environmental Performance And Commitment to Continuous Improvement

A facility must have a framework for measuring specific environmental performance and commit to continuous improvement. Performance Track's framework for reporting on performance is based on the Global Reporting Initiative (GRI). This framework distinguishes two levels of performance: categories and indicators. A category is a class of environmental impacts (e.g., water discharges). An indicator is an element of an organization's activities, products, or services that interact with the environment (e.g., discharges of heavy metals). Performance

Track's approach to reporting is consistent with both the GRI and generally accepted EMS practices.

Facilities must demonstrate past environmental achievements and set goals for continuous environmental improvement in their applications. Categories and indicators for these past achievements and future goals are found in the Environmental Performance Table (www.epa.gov/performance-track/program/improv.htm). Categories have one or more indicators that a facility may use to report on its performance. For example, the category of Material Procurement has two indicators: Post-Consumer Recycled Content and Hazardous/Toxic Components. The Environmental Performance Table helps facilities develop strategies to improve performance in four wide-ranging groups that are further distinguished by categories and indicators:

- Upstream: Material Procurement and Suppliers' Environmental Performance;
- Inputs: Material Use, Water Use, Energy Use, and Land and Habitat;
- Nonproduct Outputs: Air Emissions, Discharges to Water, Waste, Noise, and Vibration; and
- Downstream: Products.

The Performance Track Resource Center (<http://www.epa.gov/performance-track/tools/index.htm>) provides other information regarding:

- How to achieve environmental improvements;
- Business benefits of these improvements;
- Methods to convert various improvements into appropriate indicators and units; and
- Ways to show environmental improvements in commonly understood contexts.

Goals that facilities set for improvement should relate to the facility's significant environmental aspects identified in the EMS, taking into account:

- Local or regional environmental concerns or priorities;

- Cross-media impacts of performance improvements; and
- Progress that can be made through pollution prevention. Applicants must demonstrate past achievements and report on future goals.

Past Achievements

Small facilities must document one past achievement (one indicator). (Performance Track defines a facility as small if it has fewer than 50 full-time employees.) Larger facilities must document two past achievements (two different indicators). Past achievements must occur within two years preceding the year of application.

Future Goals

Small facilities must commit to at least two different future goals (chosen from two categories). All other facilities must commit to at least four future goals (chosen from two or more categories). Goals may be in identical categories to past achievements, provided that the facility continuously improves on these indicators. Facilities are encouraged to commit to more than the minimum number of future goals.

Facilities cannot rely on actions that represent compliance with federal, state, tribal, or local legal requirements to document past achievements and future goals in their applications or Annual Progress Reports (see Section B.4). Performance Track accepts only past achievements and future goals that are beyond legal requirements.

There are no absolute or relative levels of improvement for either past achievements or future goals to qualify for Performance Track (except for challenge goals, as described below). Rather, facilities must document and commit to a level of performance consistent with its own situation, capabilities, and goals. Each facility is encouraged to commit to significant improvements.

Challenge Goals

EPA recognizes that Performance Track facilities can help address regional and national environmental priorities. Challenge goals were developed by EPA

national program offices and regional offices to challenge members to focus their reduction efforts on priority environmental areas. When members commit to a challenge goal, they must set a minimum quantitative improvement target. Because it represents significant improvement, a challenge goal may be counted as two environmental goals. Small facilities may make challenge goals, but are still required to set a total of two goals.

There are currently four challenge goals at the national level and several regional challenge goals. Performance Track partnered with EPA's Office of Air and Radiation to launch a challenge goal to reduce facility energy use by 10 percent, with EPA's Office of Water to offer a challenge goal in water use reduction, and with the Office of Solid Waste and Emergency Response to create a challenge goal in Priority Chemicals reduction. Performance Track also partnered with the Wildlife Habitat Council and other organizations to develop the National Habitat Challenge Goal. At the regional level, Region VI has challenged members located in ozone non-attainment areas to reduce their nitrogen oxide (NO_x) emissions or volatile organic compound (VOC) releases by 15 percent. For a complete list of Performance Track challenge goals available regionally and nationally, go to www.epa.gov/performance-track/program/challcomm.htm.

3. Community Outreach and Performance Reporting

Performance Track members demonstrate their commitment to community outreach and report annually on their performance in the program. There is no standard set of outreach activities, beyond what is required in the APR. Each facility's approach to community outreach may vary, and will depend on its size, scale of operations, and setting. Common outreach mechanisms include open houses, newsletters, sponsorship or community activities, surveys, and performance reporting.

EPA expects facilities to have a community outreach program prior to submitting their applications. For example, participants in the Responsible Care program or endorsers of the CERES (Coalition for Environmentally Responsible Economies) principles

typically have outreach programs with many of the aforementioned activities. Many small facilities have lower cost, but effective, outreach programs.

Identifying and Responding to Community Concerns

Facilities must demonstrate established mechanisms to identify and respond to local concerns about the environmental effects of their operations. Examples include concerns about emissions, odors, traffic, discharges, and emergency warnings. At a minimum, small facilities must document a point of contact with direct access to management as well as procedures responsive to local questions or concerns.

Other typical efforts include designated community liaison officials, periodic public meetings or open houses, and similar mechanisms. The level of community outreach depends not only on the facility's size and environmental effects, but also on the degree of community interest.

Informing the Community of Important Matters

A facility must describe how it informs the community of important issues about its environmental performance in a manner appropriate to its size, operations, and setting. For example, to preclude potential misunderstandings, a facility may want to alert the community if it plans to execute an emergency preparedness exercise. Many mechanisms for identifying and responding to local concerns, such as open houses, community meetings, web pages, advisory panels or customer displays could be especially appropriate.

Reporting on the Facility's EMS and Environmental Goals

Whatever the means of community outreach, facilities must specifically explain how they inform the public about environmental performance (see Section A.2) reported both in their applications and APRs.

Facilities will also be asked to provide a short list of community/local references and to list any ongoing citizen suits in their applications.

4. Record of Sustained Compliance With Environmental Requirements

Performance Track members have a sustained record of compliance with environmental laws. They also commit to maintaining the level of compliance needed to qualify for the program.

EPA evaluates all applications consistent with EPA's Compliance Screening for EPA Partnership Programs (www.epa.gov/performance-track/program-guidance.pdf). In evaluating an applicant's compliance record, EPA, along with its state partners, will consult databases and enforcement information sources. EPA encourages applicants to review their own publicly available compliance records to assist in their determination about whether to apply to the program. Facilities can access their own compliance records for the last three years with EPA's Enforcement and Compliance History Online (ECHO) database (www.epa.gov/echo). Facilities should note that EPA's review of an applicant's compliance record examines a more comprehensive and in-depth set of EPA, state, and local information than that contained in ECHO, which may contain outdated or unverified information.

Membership in Performance Track is inappropriate for any of the following findings, under federal or state law:

Criminal Activity

- Corporate criminal conviction or plea for environmentally related violations of criminal laws involving the corporation or a corporate officer within the past five years.
- Criminal conviction or plea of employee at the same facility for environmentally related violations of criminal laws within the past five years.
- Ongoing criminal investigation/prosecution of corporation, corporate officer, or employee at the same facility for violations of environmental law.

Civil Activity

- Three or more significant violations³ at the facility in the past three years.
- Unresolved, unaddressed Significant Non-Compliance (SNC) or Significant Violations (SV) at the facility.
- Planned but not yet filed judicial or administrative action at the facility.
- Ongoing EPA- or state-initiated litigation at the facility.
- Situation where a facility is not in compliance with the schedule and terms of an order or decree.

EPA may also consider whether there are significant problems or a pattern of non-compliance in an applicant's overall civil or criminal compliance history.

Significant Non-Compliance Overview

The terms Significant Non-Compliance (SNC) and High Priority Violation (HPV) identify serious violations of environmental requirements that may pose a severe environmental threat. SNC is terminology used by the Water Program and Resource Conservation and Recovery Act (RCRA) Program, while HPV is terminology used by the Air Program. EPA programs use their own program-specific criteria, based on the applicable statutes and regulations, to determine a facility's SNC or HPV status.

³ In addition, EPA may also consider whether there are significant problems or a pattern of non-compliance in an applicant's overall civil or criminal compliance history.

Section B.

Implementation

Facilities apply to Performance Track on the website: <https://yosemite.epa.gov/oepi/ptrack.nsf>. The application process is based on the following principles:

- Fair, effective, and timely evaluation of applications;
- Close cooperation among EPA offices and with state and tribal agencies; and
- Low transaction costs, consistent with achieving the goals of Performance Track.

This section provides an overview of EPA's approach to implementing Performance Track. It covers: (1) the application and notification process, (2) continued compliance, (3) the protocol for site visits, (4) the Annual Performance Report (APR), (5) removal from the program, and (6) membership renewal.

1. Application and Notification Process

Facilities apply for membership online (<https://yosemite.epa.gov/oepi/ptrack.nsf>). EPA uses this information, self-certifications, compliance screening, publicly reported Toxic Release Inventory (TRI) data, and information from state and regional consultations to evaluate each facility's qualifications. Although EPA will not routinely conduct site visits as part of the formal selection process, EPA regional offices and state agencies may, on occasion, request a program site visit with an applicant.

EPA first reviews the application for completeness and notifies facilities at the commencement of its substantive review. An EPA committee, made up of representatives from EPA headquarters and regional offices, conducts this substantive review. Through the appropriate regional office, EPA con-

sults with the facility's state to determine eligibility for Performance Track. As part of this review, EPA evaluates each facility's compliance record.

Applicants are notified regarding their acceptance approximately 90 days after the end of the application period. Membership extends for a three-year period after which a member may submit a renewal application for another three-year membership. Facilities that are not accepted will receive brief explanations.

Once accepted as Performance Track members, facilities become eligible for the incentives offered in the program. New members will receive a letter defining the specific incentives available at the time of acceptance and the conditions under which they are granted or may be used (e.g., the conditions for use of the program logo). Members will be notified as new incentives become available.

Facilities should understand that membership is discretionary, that rejection or removal from the program may not be challenged, and that membership is unrelated to any issue of law or fact in any legal enforcement proceeding for violations of environmental requirements.

Applications for the Performance Track program are currently accepted twice a year, April 1–May 31 and September 1–October 31.

2. Continued Compliance

This program, while recognizing and promoting improved environmental performance, is built on a foundation of sustained compliance. There are several components of this program that help to assure continued compliance, such as an EMS that meets specified criteria (including compliance with

legal requirements), compliance self-audits, and an annual certification that the member is meeting the program entry criteria and is continuing to maintain compliance. In recognition of these and other program elements, and of good faith participation in Performance Track, facilities will not be subject to greater enforcement scrutiny solely as a result of their membership in Performance Track.

Compliance issues may arise from time to time at a Performance Track facility. In fact, EPA expects that a vigorous performance- and compliance-focused EMS will identify for prompt correction any instances of actual or potential non-compliance. In general, facilities are rewarded for their self-identification, correction, and prompt disclosure of violations through penalty mitigation under EPA's Audit Policy. Performance Track members will likewise be able to avail themselves of this compliance incentive under the conditions specified in the policy. In addition, EPA recognizes that violations may be discovered during the course of a Performance Track program site visit. EPA similarly will allow the application of the Audit Policy to violations discovered in this manner, provided that the facility could not reasonably be expected to have known about or identified the violation prior to the site visit. Finally, should a Performance Track facility become subject to an enforcement action, EPA will consider, as a discretionary factor in the assessment of penalties, the facility's good faith participation in the program as an indication of the facility's good faith efforts to comply.

3. Protocol for Site Visits

EPA will conduct program site visits at a limited number of Performance Track facilities each year. The primary purpose of a site visit is to assess whether a facility is meeting the on-going obligations of Performance Track membership. EPA also uses site visits to obtain feedback from members on how EPA can improve the program and make a facility's membership more valuable. During a site visit, the member will be asked to provide information and documentation describing its efforts to maintain conformance with the program criteria, including information related to EMS implementation, progress on environmental goals, and

community outreach efforts. In particular, a site visit reviews (a) how the facility uses its EMS to continually improve environmental performance, (b) data quality measures for performance data, (c) progress—and any challenges—on achieving environmental goals, (d) potential areas for future goals, and (e) the effectiveness of community outreach efforts as they relate to community characteristics and any local environmental issues.

EPA has developed a Performance Track Site Visit Protocol, which is available to all Performance Track members in advance of site visits. A member will receive notice prior to a visit and have an opportunity to schedule the timing with EPA to accommodate facility production schedules and deadlines. The visit typically includes representatives from EPA headquarters, the EPA regional office, the state environmental agency, and possibly representatives from the local community. EPA expects that the visits will take approximately one full working day, depending on the size and complexity of the facility.

Site visits provide facility managers with value-added input as well as strengthen EPA's overall relationship and communication with members, regulators, community members, and other stakeholders.

For more information on site visits, go to the Performance Track website (www.epa.gov/performance-track/program/visits.htm).

4. Annual Performance Report (APR)

Performance Track members must submit an online APR to EPA and the public. The APR documents a member's progress toward meeting environmental goals, ensures that a member maintains its qualifications under the program, and provides information on the effectiveness of the program.

More specifically, the APR documents the following types of information:

- **EMS Performance:** Summarizes the facility's EMS performance (based on objectives and targets), including a summary of audits (EMS and compliance) and corrective actions;

- **Goal Performance:** Reports on the details and progress of a facility's environmental goals;
- **Outreach Performance:** Reports on details of the facility's environmental community outreach activities; and
- **Self-Certification:** Self-certifies that a facility continues to meet the Performance Track criteria.

APRs are due April 1 in the calendar year following a facility's acceptance into the program, and annually thereafter. Reports to EPA are submitted electronically (<https://yosemite.epa.gov/opei/ptrack.nsf>), with EPA posting those reports on the Performance Track website (www.epa.gov/performance-track).

EPA does not prescribe a specific means of transmitting the report to the public. For example, members may choose to post their report on websites, disseminate information in newsletters or press releases, hold open houses, organize meetings, or convene community advisory panels.

Each member should maintain the supporting documentation used to prepare its APR on-site, and make this documentation available to EPA upon request.

5. Removal From Performance Track

At EPA's discretion, a member facility may be removed from the program for such reasons as falsifying information in the application or APR, failing to file an APR, misrepresenting environmental performance in advertising or marketing claims, or for compliance problems that would be seen as inconsistent with Performance Track entry criteria.

EPA expects that a facility will continue to meet Performance Track criteria, such as maintaining its EMS and conducting appropriate community outreach, while it is in the program. Failure to meet the EMS and community outreach commitments may constitute grounds for removal. EPA also expects

that a facility will strive to meet the environmental goals stated in its application. However, facilities are encouraged to establish ambitious goals, which they may not always be able to meet. Inability to meet the facility's environmental goals (see Section A.2) will not, by itself, remove a facility from the program. However, an inability to make any progress toward meeting goals, or a decline in overall facility performance, may result in removal from the program.

Should EPA decide to remove a facility from Performance Track, EPA will provide the facility with notice of its intention. The facility will have 30 days to take corrective measures. If corrective measures resolve the issues, EPA will withdraw its notice of intention. A facility may also withdraw from the program at any time by notifying EPA in writing. Once separated from Performance Track, whether voluntarily or at EPA's discretion, a facility relinquishes the continued use of all incentives associated with membership in the program.

6. Performance Track Renewal

The Performance Track membership term is three years. At the end of the term, a member facility must submit a renewal application. To qualify for membership renewal, a facility must meet all of the criteria required for entrance into the program. In addition, the facility should be able to demonstrate good faith improvement toward meeting its environmental goals. In general, EPA expects that facilities make progress toward at least three of the four goals, recognizing that there may be extenuating circumstances that will be dealt with on a case-by-case basis. If a facility commits to a challenge goal, the facility should show progress on the challenge goal and one other goal, since challenge goals count as two goals. Small facilities will be evaluated on a case-by-case basis, but should show progress on at least one goal. In addition, in order for a facility to renew its membership, the facility must have been a cooperative member of the program and met all program obligations.

Section C.

The State Role and Relationship

Performance Track relies on EPA's partnership with state environmental agencies (and, where applicable, tribal governments) for its long-term success. State agencies run many federally delegated programs and are responsible for important incentives (e.g., changes in permitting, reporting, and inspection policies). States are likely to have more frequent contact with member facilities, making each state's relationship with Performance Track members a key to overall success, encouraging members to focus on environmental issues that are a priority for a particular state. In addition, many states have programs with similar objectives — such as a commitment to improved environmental performance (beyond legal requirements), EMS use, public involvement, and a strong compliance history. Several state programs start with tiers that may serve as “on-ramps” to Performance Track.

EPA has consulted extensively with states that sponsor programs similar to Performance Track, and with states that do not have such programs but are supportive of the concept. Senior EPA officials have also visited or spoken with commissioners from several states that are leading the way in offering recognition and incentives to environmental leaders.

EPA works with state representatives to monitor and improve the Performance Track program as it is implemented. Based on discussions with state leaders, EPA has developed specific principles to guide this relationship. EPA will:

- Work closely with designated state contacts, and include states in decisions on facilities within their jurisdiction;

- Minimize duplication of state efforts and build on existing state programs to the extent possible;
- Respect state programs with different policy and environmental objectives, and work with states to minimize inconsistencies with national objectives and actions;
- Encourage participation by all the states, tailored to state interests and capabilities; and
- Work jointly with the states to monitor implementation and seek continuous improvement in the program.

All states will be affected in some way by Performance Track. However, the degree of involvement by each state will vary based on the number of applicants and level of state interest and resources. EPA assumes, at a minimum, that states will want to be informed of actions relating to member facilities in their jurisdiction and have the opportunity to conduct their own compliance screen.

EPA has been working closely with states that have similar programs, and will continue to work with them to align and integrate national and state programs as much as possible. EPA welcomes the interest expressed by many states that want to participate actively in the national program. These states can also play a major role in informing participants in existing programs of the opportunities and eligibility requirements of Performance Track.

EPA will work closely with states that are establishing new programs to achieve maximum compatibility

between state and national efforts. For example, EPA facilitates peer exchanges among states and facilitates contact with Performance Track and program office personnel. EPA works with these states to develop complementary application procedures.

EPA invites all states, including those without similar programs, to support the national program as much as they are able. At a minimum, these states are asked to designate contacts to receive notification of EPA actions.

After consulting with states, EPA will decide which applicants qualify for the national program. EPA continues to work with the states to determine the most appropriate long-term state role in implementing the program.

Section D.

Performance Track Corporate Leaders

In 2004, EPA created the Performance Track Corporate Leader designation to recognize companies that are substantially committed to Performance Track and exhibit policies and behavior at a corporate level that are associated with environmental excellence.

The Corporate Leader designation enhances Performance Track by providing EPA with additional opportunities to work more effectively with corporate leaders in improving environmental performance beyond regulatory requirements. It recognizes and promotes corporate activities not often or fully integrated at the facility level, such as improving the environmental performance of a company's suppliers and/or customers.

1. Eligibility Criteria

To be eligible for this membership category, a company must meet the following criteria:

- Have at least five facilities that are each a member of Performance Track.
- Have at least 25 percent of its U.S. operations (based on number and type of facilities, or employees), or 25 facilities, in Performance Track and/or similar state performance-based programs.

2. Nomination and Application Process

Around mid-year, EPA asks companies that meet these threshold criteria and believe they would meet the other membership criteria to consider nominating themselves for the Corporate Leader designation. EPA reviews the self-nominations and asks up to three of the strongest candidates to apply for the designation.

In addition to reviewing the eligibility criteria of each company, EPA applies these criteria:

- Robust corporate management of environmental issues;
- Demonstrated environmental performance improvement and commitments to further improvement;
- Efforts to improve the environmental performance of its value chain (including suppliers, transportation providers, and customers); and
- Corporate public outreach and environmental reporting.

To further assess the strength of their overall environmental programs, EPA also benchmarks companies or their sector(s) with respect to their environmental performance, toxic releases, and compliance record.

Successful applicants will identify one past achievement in improving their environmental performance and one past achievement in helping their value chain improve their environmental performance. In addition, they will set two goals to improve their environmental performance and two goals to help their value chain improve their environmental performance. They also will commit to increase their level of membership in the facility program to at least 50 percent of their U.S. operations (or 50 facilities) within five years of their designation as a Performance Track Corporate Leader.

For more information, visit the website:
www.epa.gov/performance/corporateleaders.



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